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MOTION PICTURE ASSOCIATION

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FRITZ E. ATTAWAY
EXECUTIVE VP, GOVERNMENT RELATIONS
WASHINGTON GENERAL COUNSEL

March 19, 2004

Ms. Marlene H. Dortch
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

RE *Ex Parte* Presentations in CS Docket No. 97-80 (Implementation of the Section 304 of the Telecommunications Act of 1996 Commercial availability of Navigation Devices), PP Docket No. 00-67 (Compatibility between Cable Systems and Consumer Electronics Equipment), and MB Docket No. 02-230 (Digital Broadcast Copy Protection)

Dear Ms. Dortch

This is to notify the office of the Secretary that on March 18, 2004, Fritz Attaway and Brad Hunt of the Motion Picture Association of America, accompanied by Jon Baumgarten of Proskauer Rose LLP (representing MPAA), Anne Lucey and Paul Heimbach of Viacom Inc., Maureen O'Connell and Andy Setos of News Corp., Susan Fox of The Walt Disney Company, and Linda Bloss-Baum of Vivendi Universal held an ex parte meeting with the below listed FCC staff members

Amy Nathan
William Johnson
Ken Ferree
Tom Horan
Susan Mort
Rick Chessen
Michael Lance
John Wong
Alan Stillwell
Alison Greenwald
Mary Beth Murphy
Daniele Jafari

The meeting covered material presented in the attached PowerPoint presentation

In accordance with Section 1 1206 of the Federal Communications Commission rules, this original and one copy are provided to your office A copy of this notice is being delivered to the parties mentioned above

Sincerely,

A handwritten signature in black ink, appearing to read "E. Ataway".

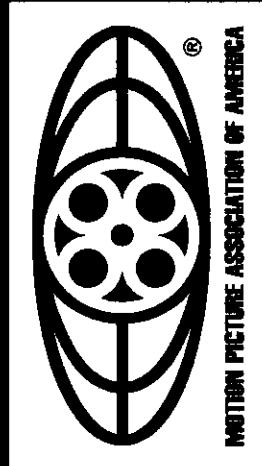
E. Ataway

Enclosure

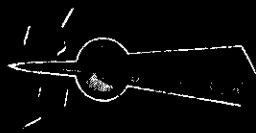
NMPA Views on Digital Broadcast Content Protection & Digital Cable Plug and Play Rulings

NMPA Press Release
March 16, 2004

The Motion Picture Association of America (MPAA) has issued the following statement regarding the recent rulings by the U.S. Court of Appeals for the First Circuit in the cases of *Sony Corp. of America v. Universal City Studios, Inc.* and *Sony Corp. of America v. Viacom, Inc.* Both cases involved the use of digital recording devices to copy copyrighted material from broadcast television signals.



Outline of Discretionary Rules

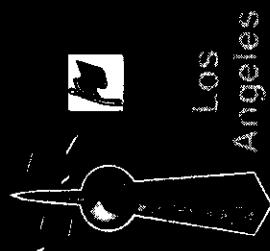


- 1) Localization - Scope of Recovery
- 2) Breakaway Landing
- 3) Recovery Options for Control
- 4) Target Coverage
- 5) Selective Onboard

Importance of Localization in Redistribution Centers

- Control over redistribution centers is necessary to effective implementation of the unitary fiscal system models that can address the following:
 - Inadequate coordination between the center and states
 - Successive governments do not respect the Constitution's intent regarding the role of the center in redistribution
- The Right approach to the success of the center depends on the right localization.

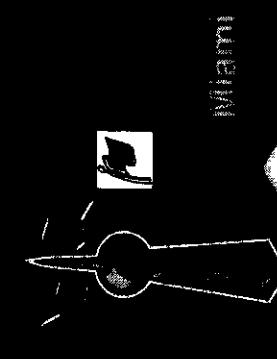
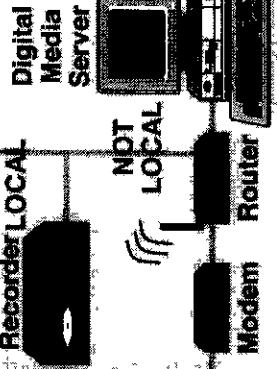
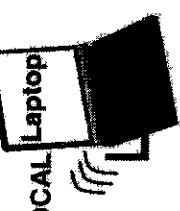
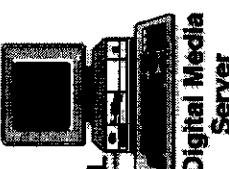
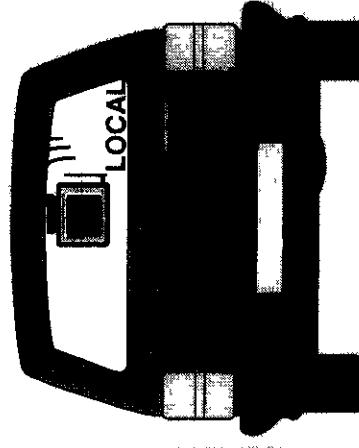
Localization Content Management



Primary Home Local Environment



Are you
local?



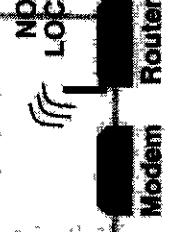
Second Home Local Environment



Digital
Media
Server



NOT
LOCAL



Router

Modem

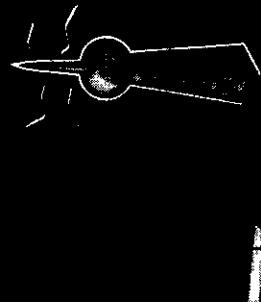
Router

Internet

Marketplace Criteria Will Better achieve Localization

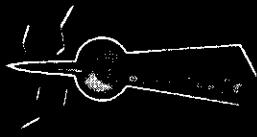
- Market-developed content provides always provided maximum coverage.
- So long as "improvement" is not strayed from counted on to improve the quality of the future.
- By contrast, defining specific functional requirements from scratch can lead to fixed definitions.
- If the FCC's requirements are expanded to include these criteria, it must include objective localization criteria.

Broadcast Flag Robustness Rule



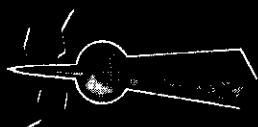
- The robustness rule adopted in the ruling establishing a weaker standard than consumers expect is unacceptable for other proposed content control measures.
- The statement accepted in the FCC's robustness ruling is *Implementation of Broadcast Flag Standard*. It is defined as "multiple levels of enforcement that goes beyond address the current concern of users who want to use their devices to copy protected content."
- To ensure the content control standard is meaningful, it should be revised to adopt the **Voluntary Protection Robustness Rules** that were carefully developed in the marketplace.

Encryption of the Digital Cable Basic Service Tier



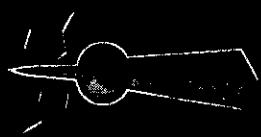
- Since encryption at the source is the best solution for protecting content, all future digital television transmission techniques should require encryption at the source.
- Allowing cable operators to encrypt "thin-tier" digital QAM basic tier services will afford protection from "hot-top DTV broadcasts" as well as other non-broadcast basic tier programming.
- Legacy providers are concerned since the limited number of legacy digital receivers will be "on-the-clear" QAM tuners are high-end models that consumers will have to connect to CableCARD set top boxes to receive premium services.
- The FCC should clarify its Rules to require cable operators to encrypt the digital cable basic service tier in order to securely signal when redistribution and copy controls or is not required for any form of basic tier programming.

Image Constraint Triggering by MVPDs



- Image constraint for unprotected HD analog outputs of non-broadcast component requirements to reasonable steps towards solving the Analog Hole.
- Image constraint triggering was recognized in the marketplace and is currently being implemented without problems.
- The MPA has conducted tests and implemented solutions of down-rezzing that show it does not disadvantage early adopters of legacy analog HD-TV displays, which did not fully resolve 1080-line by 1920-pixel HD-TV resolutions.
- The FCC should allow market forces to balance MVPDs' effective use of image constraint on non-broadcast content with their need to insure content providers of adequate protection of their high-value HD content.

Selectable Output Control Incorporation & Use



- Under the Plugins menu, click on **Selectable Output Control**.
- Import image.

A **Selectable Output Control** dialog box will appear.

- To make changes, click on the **Preview** button, select the output type, and click **OK**.
- To change the output type, click on the **Output Type** dropdown menu and choose the desired output type.

The **Output Type** dropdown menu includes the following options:
• **Color**: Converts the image to color.
• **Grayscale**: Converts the image to grayscale.
• **Binary**: Converts the image to binary.

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• **Binary**: Converts the image to binary.

MPAA Summary Points

- The Scope of proposed restrictions must be limited to the use of localization, which is best defined as the use of Marketplace Content.
- The Broadcast Flag, Royalties, Rules must reflect the current well-defined definitions, rules.
- The FCC must clarify that cable operators must encrypt the digital bits "as is".
- MVPDs should be allowed to bypass the non-linear digital processing required by the Marketplace Content.
- FCC should require selectable content controls for Digital Cable Ready devices in order to permit its use under specific, well-defined circumstances.